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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Town Council
Town of Ebro, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Town of Ebro, Florida (the "Town"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town as of September 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Volunteer Fire Department Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosure in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

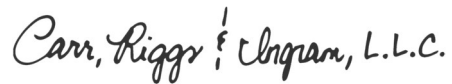
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 20, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 20, 2025

Town of Ebro, Florida Management's Discussion and Analysis

The Town of Ebro, Florida's (the "Town") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statements, beginning on page 9.

Financial Highlights

Governmental Activities

- The assets of the Town exceeded its liabilities at September 30, 2024 by \$374,717 (net position). Of this amount, \$70,998 (unrestricted net position) may be used to meet the Town's ongoing obligations.
- Governmental Fund balances increased from September 30, 2023 by \$1,143 to \$204,771.
- The General Fund balance decreased from September 30, 2023 by \$17,238 to \$67,398.

Town Highlights

The Town experienced an increase from September 30, 2023 in County funds received, which varies from year to year. The Town had \$55,628 in capital outlay expenditures and no major repairs and maintenance expenditures in the current fiscal year.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Town's basic financial statements, which are composed of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the Town presented on the accrual basis of accounting.

The statement of net position presents information on all of the Town's assets, liabilities, and resulting net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Town of Ebro, Florida Management's Discussion and Analysis

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., earned but unused vacation and sick leave).

Both of the financial statements distinguish the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, and streets and roads.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into one category: governmental. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, these statements may help readers better understand the long-term impact of the Town's near-term financing decisions.

The Town maintains three governmental funds and information on these funds is presented in the Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. The Town adopts an annual appropriated budget for its General Fund and Volunteer Fire Department Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 11 - 16.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found on pages 17 - 28.

Town of Ebro, Florida
Management's Discussion and Analysis

Government-Wide Financial Analysis

This section is used to present condensed financial information from the government-wide statements that compare the current year to the prior year.

Statement of Net Position

The following schedule reflects the condensed Statement of Net Position:

<i>September 30,</i>	2024	(Unaudited)	2023	Change
Assets				
Cash and cash equivalents	\$ 68,739	\$	74,569	\$ (5,830)
Investments	116,957		116,957	-
Due from other governments	19,075		16,218	2,857
Prepaid expense	5,066		-	5,066
Land and other nondepreciable assets	9,250		9,250	-
Capital assets, net of depreciation	157,096		127,889	29,207
Total assets	376,183		344,883	31,300
Liabilities				
Accounts payable	-		703	(703)
Compensated absences	1,466		1,560	(94)
Unearned revenue	-		3,645	(3,645)
Total liabilities	1,466		5,908	(4,442)
Net Position				
Net investment in capital assets	166,346		137,139	29,207
Restricted	137,373		118,992	18,381
Unrestricted	70,998		87,503	(16,505)
Total net position	\$ 374,717	\$	343,634	\$ 31,083

Town of Ebro, Florida
Management's Discussion and Analysis

Statement of Activities

The following schedule compares the revenues and expenses for the current year to the prior year:

<i>For the year ended September 30,</i>	2024	(Unaudited) 2023	Change
Revenues			
Program revenues	88,427	35,525	52,902
General revenues			
Taxes	96,864	125,385	(28,521)
Interest income	8	35	(27)
Miscellaneous	1,946	9,563	(7,617)
Total revenues	187,245	170,508	16,737
Expenses			
General government	\$ 118,384	\$ 135,781	\$ (17,397)
Public safety	31,109	33,307	(2,198)
Culture and recreation	6,669	6,669	-
Total expenses	156,162	175,757	(19,595)
Change in net position	31,083	(5,249)	36,332
Net position, beginning of year	343,634	348,883	(5,249)
Net position, end of year	\$ 374,717	\$ 343,634	\$ 31,083

Financial Analysis of the Town's Funds

This section provides an analysis of the balances and transactions of individual funds. As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2024, the Town's governmental funds reported combined ending fund balances of \$204,771.

Town of Ebro, Florida Management's Discussion and Analysis

Fund Budgetary Highlights

The Town's general fund final budgeted revenues decreased from its original budget by \$2,065 primarily due to the conservative nature of the original budget while the budgeted expenditures decreased by \$2,135 to more accurately reflect the Town's current spending. The Town's volunteer fire department fund final budgeted revenues increased from its original budget by \$48,568 for the inclusion of increased funding from a Fire Services grant while the budgeted expenditures increased by \$20,500 to reflect the increased spending in the current year.

Request for Information

This financial report is designed to present users with a general overview of the Town's finances and to demonstrate accountability. Additional financial information is available from the Town's Clerk, Linda Marlow, P.O. Box 10, Ebro, Florida 32437.

Town of Ebro, Florida
Statement of Net Position

		Primary Governmental Activities
<i>September 30, 2024</i>		
<hr/>		
Assets		
Cash and cash equivalents	\$	68,739
Investments		116,957
Due from other governments		19,075
Prepaid insurance		5,066
Capital assets		
Non-depreciable		9,250
Depreciable, net		157,096
<hr/>		
Total assets		376,183
 Liabilities		
Compensated absences		1,466
 Net Position		
Net investment in capital assets		166,346
Restricted for		
Streets and roads		30,821
Public safety		106,552
Unrestricted		70,998
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Total net position	\$	374,717
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The accompanying notes are an integral part of these financial statements.

Town of Ebro, Florida
Statement of Activities

			Program Revenues		Net (Expense) Revenue and Changes in Net Position
<i>For the year ended September 30, 2024</i>					Primary Government
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Primary Government					
Governmental Activities					
General government	\$ 118,384	\$ 2,254	\$ -	\$ (116,130)	
Public safety	31,109	36,105	50,068	55,064	
Culture and recreation	6,669	-	-	(6,669)	
Total governmental activities	\$ 156,162	\$ 38,359	\$ 50,068	(67,735)	

General revenues	
Franchise taxes	38,322
Sales taxes	42,642
State revenue sharing	13,647
Miscellaneous taxes	2,253
Interest income	8
Miscellaneous	1,946
Total general revenues	98,818
Change in net position	31,083
Net position, beginning of year	343,634
Net position, end of year	\$ 374,717

The accompanying notes are an integral part of these financial statements.

Town of Ebro, Florida
Balance Sheet – Governmental Funds

<i>September 30, 2024</i>	General Fund	Volunteer Fire Department Fund	Road Improvement Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 37,395	\$ 31,344	\$ -	\$ 68,739
Investments	23,469	67,108	26,380	116,957
Due from other governments	10,975	8,100	-	19,075
Due from other funds	-	-	4,441	4,441
Total assets	\$ 71,839	\$ 106,552	\$ 30,821	\$ 209,212
Liabilities and Fund Balances				
Liabilities				
Due to other funds	\$ 4,441	\$ -	\$ -	\$ 4,441
Fund balances				
Restricted	-	106,552	30,821	137,373
Assigned	67,398	-	-	67,398
Total fund balances	67,398	106,552	30,821	204,771
Total liabilities and fund balances	\$ 71,839	\$ 106,552	\$ 30,821	\$ 209,212

The accompanying notes are an integral part of these financial statements.

Town of Ebro, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

September 30, 2024

Total fund balances - governmental funds	\$	204,771
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Amounts reported for governmental activities in the statement of net position are different because:

Prepaid items are recorded as expenditures in governmental funds when paid rather than assets until consumed, as reported on the statement of net position.		5,066
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$	1,098,240	
Less accumulated depreciation		<u>(931,894)</u>	166,346

Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(1,466)
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Net position of governmental activities	\$	<u>374,717</u>
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The accompanying notes are an integral part of these financial statements.

Town of Ebro, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds

<i>For the year ended September 30, 2024</i>	General Fund	Volunteer Fire Department Fund	Road Improvement Fund	Total Governmental Funds
Revenues				
Taxes	\$ 83,217	\$ -	\$ -	\$ 83,217
Fines and fees	2,033	-	-	2,033
Licenses and permits	221	-	-	221
Intergovernmental	11,427	50,068	2,220	63,715
Charges for services	-	36,105	-	36,105
Interest income	4	4	-	8
Miscellaneous	1,946	-	-	1,946
Total revenues	98,848	86,177	2,220	187,245
Expenditures				
General government	116,086	-	-	116,086
Public safety	-	14,388	-	14,388
Capital Outlay	-	55,628	-	55,628
Total expenditures	116,086	70,016	-	186,102
Excess (deficiency) of revenues over (under) expenditures	(17,238)	16,161	2,220	1,143
Fund balances, beginning of year	84,636	90,391	28,601	203,628
Fund balances, end of year	\$ 67,398	\$ 106,552	\$ 30,821	\$ 204,771

The accompanying notes are an integral part of these financial statements.

Town of Ebro, Florida

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

For the year ended September 30, 2024

Net change in fund balances - total governmental funds	\$	1,143
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.		29,207
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Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.		94
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Prepaid expenses reported as expenditures in governmental funds are allocable to future accounting periods and therefore, are not reported as expenses in the statement of activities.		639
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Change in net position of governmental activities	\$	31,083
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The accompanying notes are an integral part of these financial statements.

Town of Ebro, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund

<i>For the year ended September 30, 2024</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 88,553	\$ 85,425	\$ 83,217	\$ (2,208)
Fines and fees	2,500	1,950	2,033	83
Licenses and permits	300	220	221	1
Intergovernmental	28,957	28,800	11,427	(17,373)
Interest income	-	-	4	4
Miscellaneous	-	1,780	1,946	166
Total revenues	120,310	118,175	98,848	(19,327)
Expenditures				
General government	130,310	128,175	116,086	12,089
Excess (deficiency) of revenues over (under) expenditures	(10,000)	(10,000)	(17,238)	(7,238)
Fund balance, beginning of year	84,636	84,636	84,636	-
Fund balance, end of year	\$ 74,636	\$ 74,636	\$ 67,398	\$ (7,238)

The accompanying notes are an integral part of these financial statements.

Town of Ebro, Florida

**Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – Volunteer Fire Department Fund**

<i>For the year ended September 30, 2024</i>	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 36,500	\$ 35,000	\$ 36,105	\$ 1,105
Interest income	-	-	4	4
Intergovernmental	-	50,068	50,068	-
Total revenues	36,500	85,068	86,177	1,109
Expenditures				
Public safety	29,000	16,932	14,388	2,544
Capital outlay	17,500	50,068	55,628	(5,560)
Total expenditures	46,500	67,000	70,016	(3,016)
Excess (deficiency) of revenues over (under) expenditures	(10,000)	18,068	16,161	(1,907)
Fund balance, beginning of year	90,391	90,391	90,391	-
Fund balance, end of year	\$ 80,391	\$ 108,459	\$ 106,552	\$ (1,907)

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Ebro, Florida (the “Town”) was created in 1967 by an act of the Florida legislature (House Bill 2530) recorded in the Secretary of State’s Office. It is an incorporated municipality of the State of Florida, and operates using an elected council form of government. The authority of this council and the policies it may implement are regulated by the Town’s Charter, Ordinances, Resolutions and Statutes of the State of Florida.

Reporting Entity

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applied to governmental units.

In evaluating the Town as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification. Based upon the foregoing criteria, it was determined there were no other entities subject to consideration to be included in the Town’s financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the Town's water department and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the Town's funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund which accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Volunteer Fire Department Fund* is used by the Town to account for the operation of the Volunteer Fire Department.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

The Road Improvement Fund is a capital projects fund used to account for the construction of road improvements.

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with GAAP for the governmental funds.

The appropriated budget is prepared by fund, function, and department. The Town's department heads may make transfers of appropriations within a department. Management can approve transfers within government function categories only. Transfers of appropriations or revisions between government function categories require the approval of the Town Council. The level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the government function category level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

The Road Improvement Fund is not budgeted and budget information is not presented.

Excess of Expenditures over Appropriations

For the year ended September 30, 2024, expenditures exceeded appropriations within the public safety function of the Volunteer Fire Department Fund by \$3,016. The excess was funded with reserve funds.

Town of Ebro, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the Town consist solely of certificates of deposit with original maturities of more than three months from the date of acquisition. These investments are reported at amortized cost.

The Town is authorized under Chapter 218.415, Florida Statutes, to invest and reinvest surplus public funds in its control or possession, in accordance with resolutions to be adopted from time to time in the following:

- The Local Government Surplus Fund (the SBA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Florida Statute 163.01.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Savings accounts and certificates of deposit in state-certified qualified public depositories, as defined in Florida Statute 280.02.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.

Receivables

The Town records accounts receivable for various taxes, fees and services. All receivables are considered collectible and, as such, no allowance for uncollectibles is reported.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other funds” in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and provided, expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate. Benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide financial statements. At the fund level, expenditures are recognized when the available finance resource is expended.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. The Town has not reported infrastructure acquired prior to October 1, 2003. As the Town constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	30 - 40
Equipment	10

Compensated Absences

The Town allows employees to accumulate vacation and sick leave up to certain limits for use in subsequent periods. Upon termination of employment, an employee receives payment of accumulated vacation hours up to certain limits at current wage rates. All leave is accrued when incurred in the government-wide financial statements. A liability for these amounts in the government-wide financial statements consists of unpaid, accumulated annual leave balances. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (continued)

Categories and Classification of Net Position and Fund Balance (continued)

unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The Town has no fund balances classified as committed.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The Town has no fund balances classified as assigned.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes - Florida Statute allows the Town to assess and collect property taxes within its municipal limits. However, the Town has chosen to operate on revenues generated from other sources. Its primary sources of revenue are from state collected and shared revenues generated from sales and gasoline taxes.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to compensated absences.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 2025, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement established accounting and financial reporting for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

The GASB has issued statements that will become effective in future years. These statements are as follows:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Town of Ebro, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The Town is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2024, the Town’s deposits were entirely covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Town pursuant to Section 280.08, Florida Statutes.

Investments, at amortized cost, are comprised of the following:

	Fair Value	0-5 Year
Certificates of Deposit	\$ 116,957	\$ 116,957

Custodial credit risk - The Town maintains its deposits only with “Qualified Public Depositories” as defined in chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities which have a market value equal to 50% of all public funds on deposit at the end of each month in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories. Under Florida Statute 280 and the Federal Deposit Insurance Corporation, all the Town’s deposits are fully insured or collateralized with collateral held by the State Treasurer.

Town of Ebro, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town has limited its interest rate risk by investing in low risk instruments with a maturity of 60 months or less.

Credit risk – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The investment program is established in accordance with the Town’s investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the Town to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories. The Town’s only investments were in certificates of deposit.

Concentration risk – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Town’s investment policy does not address concentration risk.

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Due from Other Governments

Due from other governments at September 30, 2024 consists of the following:

	General Fund	Volunteer Fire Department Fund	Total Governmental
Operating grant	\$ -	\$ 8,100	\$ 8,100
Taxes	10,975	-	10,975
Total	\$ 10,975	\$ 8,100	\$ 19,075

All amounts are reported at their gross value and when appropriate are reduced by the estimated portion that is expected to be uncollectible. These amounts are deemed to be 100% collectible.

Town of Ebro, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 9,250	\$ -	\$ -	\$ 9,250
Capital assets, being depreciated				
Equipment	\$ 540,544	\$ 45,197	\$ -	\$ 585,741
Buildings	503,249	-	-	503,249
Capital assets, being depreciated	1,043,793	45,197	-	1,088,990
Less accumulated depreciation for:				
Equipment	531,948	5,610	-	537,558
Buildings	383,956	10,380	-	394,336
Total accumulated depreciation	915,904	15,990	-	931,894
Total capital assets, being depreciated, net	127,889	29,207	-	157,096
Governmental activities capital assets, net	\$ 137,139	\$ 29,207	\$ -	\$ 166,346

Depreciation expense was allocated to the governmental functions in the statement of activities as follows:

<i>For the year ended September 30,</i>	2024
Governmental Activities	
General government	\$ 3,058
Culture and recreation	6,669
Public safety	6,263
Total depreciation expense - governmental activities	\$ 15,990

Due to/from Other Funds

	Due		
	To	From	Net
Interfund Receivables and Payables			
General Fund	\$ (4,441)	\$ -	\$ (4,441)
Road Improvement Fund	-	4,441	4,441
	\$ (4,441)	\$ 4,441	\$ -

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Due to/from Other Funds (continued)

Amount due from the general fund to the road improvement fund is for special revenues transferred to the general fund from the road improvement fund in the current year subsequently not spent on road improvements or maintenance.

Interfund Transfers

Interfund transfers are generally used to meet cash demands necessary to pay operating expenditures. There were no interfund transfers for fiscal year 2024.

Note 3: RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained coverage from commercial insurance companies, effectively transferring any risk of loss.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members of
the Town Council
Town of Ebro, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Town of Ebro, Florida (the "Town") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying management letter as item 2009-03 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Ebro, Florida's Response to Findings

Government Auditing Standard requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying management letter as "Views of Responsible Officials and Planned Corrective Action". The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

June 20, 2025



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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Mayor and Members of
the Town Council
Town of Ebro, Florida

We have examined the Town of Ebro, Florida’s (the “Town”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* during the year ended September 30, 2024. Management of the Town is responsible for the Town’s compliance with the specific requirements. Our responsibility is to express an opinion on the Town’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town’s compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2024.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 20, 2025



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MANAGEMENT LETTER

Honorable Mayor and
 Members of the Town Council
 Town of Ebro, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Ebro, Florida (the “Town”), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 20, 2025.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on Compliance with Local Government Investment Policies. Disclosures in those report, which are dated June 20, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1, Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below under the Prior Year Findings and Recommendations.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2020-2021 FY Finding #	2017-2018 FY Finding #
2009-03	2009-03	2009-03

2009-03 Segregation of Duties (Repeat Finding)

Condition – The Town presently employs only one full-time clerical employee. This individual's responsibilities include billing, collecting, receipting, depositing and recording all revenues. Additionally, this individual is also responsible for preparing and documenting all disbursements.

Criteria – Management is responsible for establishing and maintaining effective internal control over financial reporting. One of the most critical components of an effective internal control system is the appropriate separation of duties.

Cause – The Town lacks sufficient personnel to design and implement adequate separation of duties.

Effect – The finding could result in the misappropriation of assets and material misstatements to the financial statements.

Recommendation – Due to a lack of personnel required to establish proper separation of duties, a recommendation to correct this weakness is prohibitive. However, we strongly recommend the Town Council, Mayor or representative monitor ongoing operations to include systematic reviews of monthly financial activity and reporting.

Views of Responsible Officials and Planned Corrective Action - Monthly invoices are reviewed by the Clerk and the Mayor before payment is made. Each payment, regardless of amount, and all checks issued require two signatures. Financial activity summaries and bank reconciliations are prepared on a monthly basis for review by the Town council.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. It is management's responsibility to

monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. We did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Town's geographical boundaries during the fiscal year under audit.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Town and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 20, 2025